Interview given by François Hollande, President of the Republic, to «Slate.fr»

Slate: What’s your assessment of the demand for a European growth pact, which you promoted throughout your campaign?

FH: The French presidential campaign deserves credit for reviving the demand for growth. The word appears in the budgetary treaty. But without any concrete content or application. However, without additional economic activity, it will be difficult or indeed impossible to reduce the deficits or control the debt. Key personalities have spoken out in support of this growth pact, like the President of the ECB, Mario Draghi, as well as several government leaders. In Spain, Portugal, the Netherlands, Italy, everyone accepts that austerity alone will not enable us to balance the public accounts. I think that for this reason alone, the French presidential campaign will have been valuable; that’s why the way it was conducted and its outcome have been a focus of attention well beyond our borders.

Q - Your solutions for stimulating growth seem however to differ from those advocated by Mario Draghi and Angela Merkel...

A - Structural reforms need to be carried out in order to improve competitiveness, implement tax reforms, and strengthen our industry. That’s the purpose of the growth pact that I proposed.

Supply-side economics is inseparable from more direct stimulation of demand. Not with the Keynesian formulas of the past: not through additional public expenditure, since we want to control that, or tax allowances, which we’re banned from using. But by implementing instruments at the European level; this requires increasing the capital of the European Investment Bank, mobilizing structural funds, imposing a tax on financial transactions which would make it possible to finance infrastructure projects. Europe could at last decide to increase lending: that’s the whole point of «eurobonds» and «project bonds.»

Q - The German Chancellor is opposed to this last solution....

A - We’ll have discussions with our partners regarding this issue, and in particular with our German friends, but they can’t impose two obstacles at the same time, one on the «Eurobonds» and another on the direct refinancing of debt obligations by the ECB.

Q - You weren’t received by Angela Merkel during the campaign, but you were supported by the head of the SPD, Sigmar Gabriel. Are you apprehensive about your initial exchanges?
A - No. There’s no problem associated with the French presidential election. For me it was perfectly understandable that Angela Merkel supported Nicolas Sarkozy due to the action they undertook together, even if I opposed the outcome of this action, and because of their shared political sensitivities. And she herself can’t criticize me for adopting the same attitude with respect to the German social democrats: those that hold a key position with respect to ratifying the budgetary treaty at the Bundestag, where a qualified majority is required, and who also require the addition of a growth pact as a precondition for this ratification.

Q - The existence of a «Merkozy» partnership was criticized in Europe. What’s your position on this Franco-German partnership?

A - As much as I believe in the Franco-German engine, I dispute the idea of a duopoly. European integration is founded on a balanced and respectful relationship. The Schmidt-Giscard partnership, the Kohl-Mitterrand partnership, and even the Chirac-Schröder partnership demonstrated that political differences did not exclude joint action. But these leaders made certain to combine an intergovernmental approach with the EU process; that was the best way to prevent our partners from feeling isolated or, even worse, subdued.

This balance has been changed in recent years. The Franco-German relationship was exclusive. The European authorities were neglected and certain countries, notably the most fragile, had the unpleasant feeling of having to face an executive board.

Q - Nor have you been received by David Cameron, the British Prime Minister, and the British press and the City weren’t necessarily very kind toward you. How do you intend to strengthen the Franco-British relationship?

A - We should recognize that the British were especially tentative with respect to the challenges posed by financial regulations and alert only to the interests of the City. Which explains their reticence with respect to implementing the tax on financial transactions and tax harmonization in Europe. And this is on top of their relative indifference to the fate of the euro zone, since the United Kingdom is more protected from speculation because the central bank can take direct action to finance the debt. Europe isn’t a cash drawer and even less a self-service store.

I will meet with David Cameron shortly in order to discuss the benefits of greater cooperation at the industrial level between our two countries and to continue the rapprochement with respect to defense.

Q - How can we remedy the disenchantment with Europe, revive enthusiasm for Europe?

A - I want to be very clear. The presidential election has just sent a new signal: if trust isn’t re-established between the people and Europe, we’ll see an increase in populist movements that will end up obstructing the European project and one day cause the euro zone to break up. We need a wake-up call so that we can define new perspectives, launch new projects, protect our citizens.

Rather than trying to make headway on developing a political Europe, I propose taking on a new challenge: after the European Steel and Coal Community and the European Agricultural Policy at the beginning of the 1960s, the Common Market during the 1980s, we should have a «European Energy Community» with shared objectives with respect to saving energy, the emergence of renewable energy, the security of facilities, etc.

Q - You’re therefore moving away from the idea of new treaties?

A - Yes, today, it would be difficult to get any institutional treaty ratified without re-establishing a relationship of trust between the people and the Union. On the other hand, a treaty on growth, employment and energy could galvanize public opinion. France and Germany could also show the way 50 years after the Elysée Treaty (1963), notably with respect to the educational, academic and cultural aspects.
Q - On the international stage, your predecessor demonstrated his leadership on behalf of Europe on several occasions, in Georgia, Libya, on the financial crisis... Is that your ambition as well?

A - France isn’t just any European country and its President isn’t just any head of state. So sometimes he must take the initiative, if not set the direction or assume leadership. Nicolas Sarkozy demonstrated this during his five-year term. Sometimes it was positive. I am thinking of the UN action in Libya. Other times, it was ill-advised. I am thinking of the Union for the Mediterranean, whose unpreparedness led to failure. Yes, I will make sure France plays an important role when it comes to asserting its international ambitions. On the financial crisis, what was lacking was consistency and perseverance, particularly on financial regulation, the fight against tax havens and the tax on financial transactions.

Likewise, with respect to China, Europe did not absorb trade imbalances in a unified fashion. It took Obama’s establishment of conditions for «reciprocity» before the word was even mentioned again, and the convertibility of China’s currency should have been discussed at the G20. I believe that reforming the international monetary system must be one of our priorities.

Q - The United States might regard with concern a change of presidents in France, particularly when the new one is a Socialist. How do you think you can make yourself better known and recognized?

A - I perfectly understood President Obama’s attitude during the French presidential campaign. He had no reason to distance himself from President Sarkozy. It’s basic solidarity, and heads of state who have worked together owe it to one another. Barack Obama himself is up for reelection this year. And that vote will have great importance for the world.

The Democratic administration made foreign policy changes that were serious and positive compared with its predecessor. By the same token, we agree on the economic level. I will therefore take care to reaffirm France’s independence without making Barack Obama’s job harder. With regard to French troops in Afghanistan, for example, I will reaffirm our position on withdrawing them at the end of 2012, which I embraced throughout my campaign, while maintaining close consultations with our allies.

Q - You don’t share his position on using strategic oil reserves to lower prices at the pump...

A - I respect it. I know how important the issue of gas prices is in the American political debate. In France, the steady rise of energy prices is not unrelated to the number of votes garnered by populist parties. I imagine the same exasperation exists in the U.S.

Q - What’s your position on the Iranian nuclear crisis?

A - I did not criticize Nicolas Sarkozy’s firm stand on the risks of nuclear proliferation. I will be just as strong and resolute in that regard. For me, it will be unacceptable for Iran - which is perfectly entitled to have access to civilian nuclear energy - to use that technology for military purposes.

Q - On this issue, the Obama administration seems more flexible, more inclined to negotiate, than the French government.

A - The Iranians must provide all the information they have been asked for and stop their deception. Sanctions must be strengthened as much as necessary. But I still believe that we can achieve our goal through negotiations.

Q - You sometimes seemed vague on the French presence in NATO during the campaign.

A - I regretted that decision, given the circumstances in which it was taken in 2008. The objectives that were laid out, notably the strengthening of the European defense pillar, were not achieved.
But that doesn’t mean I intend to go back to the way things were before. I will ask for an assessment of France’s role and the responsibilities we have been given in the military command.

Q - On Africa and the Middle East, do you share Alain Juppé’s position of extreme firmness toward Islamists we can talk to, provided certain red lines aren’t crossed: i.e., a respect for fundamental rights, a respect for the free choice of voters, the peaceful handover of power following elections regardless of political party?

A - France must not change its principles based on circumstances and situations. The ones that were so crucial during the Arab Spring, when regimes prevented the advent of democracy, must be discussed with the parties that come to power as a result of elections in those same countries, notably in Tunisia and Egypt. The proper conduct of democracy, equality between men and women, and the respective roles of society and the State must be emphasized as much as necessary.

The challenge is whether the parties that say they are rooted in Islam can be integrated into a long-term democratic process. That’s why the success of this transition is so important. The Tunisians have demonstrated this, although threats clearly do exist.

Q - How do you see the situation in the Sahel?

A - I am very concerned by what is going on there. I approved of the intervention in Libya, but I regretted the lack of subsequent support, and now, some of the dregs of the Libyan army and the forces that supported it are in that area and are destabilizing Niger and Mali. But that isn’t the only cause of unrest. Here too, Europe must understand that it would be to its advantage to provide greater support for development in the countries in question.

There is also the specific problem of Areva, which has very significant consequences for Niger; clearly, AQMI forces, or those linked to that network, have an interest in undermining development in Niger.

Q - Is the rise to power of Islamists in many countries along the southern Mediterranean liable to further strengthen the fears and fantasies in France that were very much in evidence during the French presidential campaign?

A - I deplored those confusions and categorizations. Foreigners may be of African or North African descent without being Muslims. And they can be Muslim without being clannish. I want to uphold the values that allow each individual in France to practice the faith of his choice, but within the context of the common laws of a secular system.